



## *Report to the Auburn City Council*

Action Item

Agenda Item No.

8

City Manager's Approval

**To:** Mayor and City Council Members  
**From:** Reg Murray, Senior Planner  
**Date:** May 12, 2014  
**Subject:** Authorization to Apply - 2014 HOME Program

### *The Issue*

Should the City Council direct staff to prepare an application to the State of California Housing and Community Development Department (HCD) in response to the 2014 HOME NOFA that includes the First Time Homebuyer (FTHB) and Owner Occupied Rehabilitation (OOR) programs?

### *Conclusions and Recommendation*

- A. By Motion, direct staff to prepare an application to HCD in response to the 2014 HOME NOFA that includes the First Time Homebuyer (FTHB) and Owner Occupied Rehabilitation (OOR) programs.

### *Background and Review*

The California Department of Housing and Community Development (HCD) published a Notice of Funding Availability (NOFA) on May 1, 2014, making approximately \$28 million in HOME funds available State-wide for the 2014 Program Year (Attachment 1). HOME funds can be used for various programs including the First Time Homebuyer (FTHB) and Owner Occupied Rehabilitation (OOR) programs. Applications must be submitted to HCD by July 1, 2014.

In 2010, the City applied to HCD for the 2010 Program Year and was awarded funding totaling \$800,000. This included \$487,500 for a FTHB program, \$292,500 for an OOR program and \$20,000 for administrative costs. The FTHB program provides down payment assistance to low-income, first time home buyers, while the OOR program provides financial assistance to low-income home owners for home improvements. The financial assistance takes the form of zero interest loans that are generally payable at the future sale of the property.

As reported earlier this year, program activity for the FTHB program over the two-year term of the 2010 Program included 61 preliminary submissions, 12 complete submissions, eight accepted applications, and two funded applications totaling \$202,180. Program activity for the OOR program included 38 preliminary submissions, 11 complete submissions, and four funded applications totaling \$155,054.

Staff anticipates that the City may be able to request funding for both the FTHB and OOR programs. Based on the Program funding limits identified in the NOFA, the City will be able to request \$300,000-\$500,000 in total funding.

Staff will work with the City's housing consultant, Carol Stuart, for the preparation of the HOME application. Upon completion of the application, staff will return to the City Council no later than June 23, 2014 with information detailing the scope of the application and the funding request, as well as a Resolution authorizing submittal of an application to HCD by the July 1<sup>st</sup> deadline.

#### **Alternatives Available to Council; Implications of Alternatives**

- Direct staff to proceed with an application in response to the 2014 HOME NOFA.
- Direct staff not to proceed with an application.
- Direct staff to provide additional information for review and consideration.

#### **Fiscal Impacts**

Staff proposes to utilize the services of the City's housing consultant, Carol Stuart of Stuart Consulting, for the preparation of the 2014 HOME application. The cost to prepare, finalize and submit the application would be funded by the General Fund and is anticipated to be approximately \$5,000. A contract will be necessary with Stuart Consulting to cover preparation of the application. Although HCD released the 2014 NOFA, the application details have not been released at this time. As such, the full scope of the needed contract has not been determined at this time. Staff will come back to the City Council at the next available hearing for review and approval of the contract.

#### **Additional Information**

Please see the following for more details:

#### **ATTACHMENTS**

1. 2014 HOME NOFA notice

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

P.O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2711 / FAX (916) 263-2763



ATTACHMENT 1

May 1, 2014

**MEMORANDUM FOR: ALL POTENTIAL APPLICANTS**

**FROM:** Laura A. Whittall-Scherfee, Deputy Director  
Division of Financial Assistance

**SUBJECT: NOTICE OF FUNDING AVAILABILITY – \$28 MILLION  
HOME INVESTMENT PARTNERSHIPS PROGRAM**

The Department of Housing and Community Development (HCD) is pleased to announce a Notice of Funding Availability (NOFA) for the HOME Investment Partnerships Program (HOME). This NOFA is for rental projects, first-time homebuyer (FTHB) projects, and program activities. A minimum of \$28 million is available for this NOFA. Additional funding may become available from disencumbrances of existing contracts. **The deadline for receipt of complete applications is July 1, 2014.**

If you have any questions, please contact HOME Program staff at (916) 263-2939.

Attachment

**HOME INVESTMENT PARTNERSHIPS PROGRAM**

**2014  
Notice of Funding  
Availability**



**State of California  
Governor Edmund G. Brown Jr.**

**Randall A. Deems, Acting Director  
Department of Housing and Community Development**

**Division of Financial Assistance  
P.O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2939**